

Fix and Flip Program





Table of Contents

Introduction **01**

Our Process **02**

Transaction Management **03**

Bridge Loans Rates **04**

DSCR Loans Rates **05**

FixNFlip & Ground Up Program **06**

Small Balance Multifamily **07**

Stabilized Bridge Programs **08**

Single Property Rentals **09**

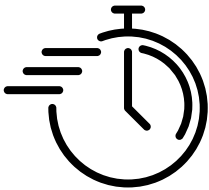
Rental Portfolios **10**

Multifamily Term **11**

01 Fix and Flip Program

Welcome to Ross Commercial Capital Group, your premier destination for tailored financing solutions for fix and flips. We provide unparalleled access to cutting-edge financial options designed specifically for fix and flip projects. We offer a comprehensive suite of services to support your flipping ventures. Backed by competitive rates, transparent processes, and a steadfast commitment to superior customer service, we're dedicated to helping you thrive in the fix and flip industry. Experience the Ross Commercial Capital Group difference today and unlock the financial solutions you need to succeed in your flipping projects.

MAXIMIZE YOUR FIX AND FLIP OPPORTUNITIES WITH US!



QUICK APPROVAL PROCESS

With our streamlined approval process, you can access funds swiftly, allowing you to capitalize on profitable opportunities in the real estate market without delay.



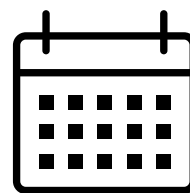
COMPETITIVE INTEREST RATES

Benefit from competitive interest rates that help maximize your return on investment, enabling you to achieve greater profitability with each flip.



FLEXIBLE FINANCING SOLUTIONS

Our lending institution offers flexible loan options tailored to the unique needs of Fix and Flippers, ensuring you have the capital you need, when you need it.



FLEXIBLE REPAYMENT TERMS

Enjoy flexible repayment terms that accommodate your unique project timelines and cash flow needs, providing you with the flexibility to succeed in your Fix and Flip ventures.

02 Our Process

At Ross Commercial Capital Group, we streamline your journey towards securing the financing you need. If you believe your deal qualifies, let us guide you through our efficient submission process. Begin by sharing your deal's details with us, and our team of experts will meticulously review your inquiry, ensuring a swift and informed response. Welcome to a partnership that values your ambitions. Submit today, and let's pave the way to realizing your project's potential together.

SUBMITTING A DEAL



01

DETERMINE ELIGIBILITY

Visit our website to review our lending criteria and ensure your project aligns with our financing solutions.



02

GATHER REQUIRED DOCUMENTS

Prepare the essential documents for your submission, including bank statements, tax returns, and detailed property information.



03

SUBMIT YOUR INQUIRY

Utilize our online submission form to provide us with your deal details and upload the necessary documentation.



04

REVIEW PROCESS

Our team will carefully review your submission to assess the feasibility and alignment with our lending parameters.



05

NEXT STEPS

Upon review, a Ross Commercial Capital Group representative will contact you to discuss the next steps and any additional requirements.

Begin your journey towards financial partnership with Ross Commercial Capital Group today. Your ambition is our blueprint.

03

Transaction Management



As fix and flippers, your success hinges on efficiency and expertise in the real estate market. With Ross Commercial Capital Group, you can elevate your flipping business to the next level. Our specialized Transaction Management Service is tailored specifically for fix and flippers, offering comprehensive solutions to meet your unique needs. With our in-house expertise, we provide full-service real estate and mortgage brokerage services under one roof, empowering you to streamline your projects and maximize profitability.



ONE-STOP SOLUTION

Tired of dealing with multiple vendors for financing, marketing, and selling your properties? With our transaction management services, you'll have everything you need under one roof. From securing funding to marketing your properties, we've got you covered.



EFFICIENCY AND TRANSPARENCY

Our in-house management saves you time and resources, allowing you to focus on growing your business.



LONG-TERM PARTNERSHIP

Beyond just financing, we're dedicated to supporting your success in the fix and flip market. Count on us as your trusted partner for ongoing guidance and support throughout your flipping career.

BRIDGE LOANS

Short-term Financing

	FIX & FLIP	GROUND UP	MULTIFAMILY BRIDGE	STABILIZED BRIDGE
Loan Amount	\$50K - \$5MM	\$50K - \$5MM	\$500K+	\$75K - \$2MM
Max LTC	85% / 100% (Purchase price / Rehab)	75% / 100% (60% / 100% for non-permitted projects)	75% / 100% (65% / 100% for Refi)	85% on Purchases, N/A on Seasoned Refinance, 85% + 100% of completed renovations for Non-Seasoned Refinance
Max LTV	70% (Loan to after repair value)	70% (Loan to after repair value)	70%	70%
Minimum FICO (Mid-Score)	N/A	N/A	680	680
Minimum DSCR	N/A	N/A	N/A	1.00x

DSCR LOANS

Long-term Financing

	SINGLE PROPERTY RENTAL	RENTAL PORTFOLIO	MULTIFAMILY TERM
Loan Amount	\$75K - \$2MM	\$150K - \$50MM	\$250K - \$3MM
Max LTC	80%	80%	70%
Max LTV	80% (75% for Cashout Refi)	80% (75% for Cashout Refi)	70%
Minimum FICO (Mid-Score)	660	660	680
Minimum DSCR	1.1x	1.1x	1.1x

Fix and Flip & Ground Up Program

BRIDGE LOANS	FIX & FLIP		GROUND UP		
	Loan Amount	<ul style="list-style-type: none"> Min: \$50,000 Max: \$5,000,000 	<ul style="list-style-type: none"> Min: \$50,000 Max: \$5,000,000 		
	Maximum Loan to Cost	<ul style="list-style-type: none"> Up to 85% of purchase price ☐ Up to 100% of rehab costs 	<ul style="list-style-type: none"> Up to 75% of the lower of land value or purchase price/60% if unpermitted, plus 100% of construction Max 80% of total project costs LTC Catch Up Draw to raise initial advance to 75% at approval of required plans/permits post-closing 		
	Maximum Loan to ARV	<ul style="list-style-type: none"> Up to 70% 	<ul style="list-style-type: none"> Up to 70% 		
	FICO	<ul style="list-style-type: none"> Minimum IR = 1 month If past bankruptcy, foreclosure, or FICO < 620: 12 month IR 	<ul style="list-style-type: none"> Minimum IR = 1 month If past bankruptcy, foreclosure, or FICO < 620: 12 month IR 		
	Term Length	<ul style="list-style-type: none"> 12 months, up to 18 at lender discretion 	<ul style="list-style-type: none"> 12 months, up to 18 at lender discretion 		
	Recourse	<ul style="list-style-type: none"> Full Recourse Pledge of shares 	<ul style="list-style-type: none"> Full Recourse Pledge of shares 		
	Experience	<ul style="list-style-type: none"> All levels considered (leverage based on experience) 	<ul style="list-style-type: none"> Professional developers with prior ground up experience 		
	Profit Test	<ul style="list-style-type: none"> Minimum \$15,000 If fail, must pass 1.20 DSCR test on a market 30-year FRM 	<ul style="list-style-type: none"> Minimum \$15,000 If fail, must pass 1.20 DSCR test on a market 30-year FRM 		

HARD NO LOAN TYPE
<ul style="list-style-type: none"> Financial crimes on background check > 85% initial loan to cost; > 100% construction holdback/reno budget; > 70% ARLTV Owner occupied properties Exotic properties in rural areas Advancing against 'finder's fees' – wholesalers are OK, see guidelines below ☐ Deals without a viable exit (profitable flip or rental loan refinance)

LETTER OF EXPLANATION BACKGROUND	
Traffic	No
Driving under the influence	2 or more times
Marijuana	2 or more times
Misdemeanor	Always
Felony	Always

Small Balance Multifamily

BRIDGE LOANS

MAXIMUM ARLTVs		
FICO	PURCH/RT REFI	CASHOUT
≥ 740	< \$3MM: 70% > \$3MM: 70%	< \$3MM: 65% > \$3MM: 65%
720 - 739	< \$3MM: 70% > \$3MM: 70%	< \$3MM: 60% > \$3MM: 60%
700 - 719	< \$3MM: 70% > \$3MM: 70%	< \$3MM: 55% > \$3MM: 55%
680 - 699	< \$3MM: 70% > \$3MM: 65%	not permitted

U.S. Non-Permanent Residents/Foreign Nationals with Acceptable US Credit History: 55%

MAXIMUM LTCs
<ul style="list-style-type: none"> Subject to LTV limits: <ul style="list-style-type: none"> Purchase: 75% of (lower of Purchase Price & As-Is Value) + 100% of Reno Rate/Term: 65% of As-Is Value + 100% of Reno Cashout refinance: Subject to % above + 100% of Reno: not to exceed 75% of PP and 100% of renovation

STATE RESTRICTIONS
<ul style="list-style-type: none"> All US, except MN, ND, SD, UT & VT

LETTER OF EXPLANATION BACKGROUND	
CREDIT & BACKGROUND	LIQUIDITY
<ul style="list-style-type: none"> New borrower: Tri-Merge Credit Report no older than 90 days Existing borrower with 0x30x12 payment history: Tri-Merge Credit Report no older than 120 days 680 minimum qualifying FICO determined as: <ul style="list-style-type: none"> Mid score if 3 scores are available Low score if 2 scores are available For multiple guarantors, lowest score calculated as above is used Bankruptcy discharge date must be no less than 3 years prior to closing date Foreclosure/deed-in-lieu/short sale date must be no less than 3 years prior to closing date 	<ul style="list-style-type: none"> 15% of loan amount Two most recent consecutive months of bank statements or investment account statements required Liquid reserves must be seasoned for a minimum of 3 months for purchase transactions The cumulative amount including all guarantors is considered for loans with multiple guarantors IRAs/401Ks and other restricted assets are considered with a 50% haircut to market value 50% of cashout amount may be used to satisfy reserve requirement
<ul style="list-style-type: none"> No first time borrowers, need prior multifamily property ownership experience Self-managed properties may be allowed for loans ≤ \$5MM, at lender discretion Third party property manager required for loans > \$5MM Full Recourse with warm body guaranty from all members with ≥ 20% ownership OR Non-Recourse with pledge of equity of borrowing entity and customary bad-boy carveouts LLCs and US corporations only 	

LOAN STRUCTURE
<ul style="list-style-type: none"> Initial term: 12 months to 24 months Extension: 3 months or 6 months, with a total term not longer than 36 months Extension fee of 0.50% per extension Amortization: Interest only Renovation budget: < 50% of PP OR < 50% of as-is value for Rate/Term Refi Recourse: <ul style="list-style-type: none"> All loans < \$2MM are Full Recourse to warm body guarantor All loans ≥ \$2MM are Non-Recourse with standard bad boy carveouts, completion guaranty & interest reserve replenishment guaranty as applicable Renovation budget: Required to hold back 100% of budget and any applicable deferred maintenance <ul style="list-style-type: none"> Fixed rate available for loans < \$2MM Loans ≥ \$2MM float based on SOFR

RESERVES/ESCROWS
<ul style="list-style-type: none"> Interest/operating reserves: at closing, reserves are held back to fund deficits in operating expenses and debt service payments (if any), estimated based on in-place and underwritten proforma cashflows for the first 12 months Construction/renovation reserve: 100% of the renovation budget (including contingencies), 100% of any identified deferred maintenance in third party reports and 100% of any other project funds (such as tenant buyout expenses) are reserved at closing and released via subsequent draws

DEBT SERVICE COVERAGE RATIO (DSCR)
<ul style="list-style-type: none"> NCF DSCR calculation: In-place OR Stabilized Net Cash Flow (NCF) divided by mortgage payment, after accounting for all property operating revenues, expenses and capital expenditure reserves, as reasonably determined by lender Min underwritten stabilized NCF DSCR of 1.25x is required to qualify Cashout: Min in-place DSCR of 1.00x based on actual rate

LOAN GENERAL
<ul style="list-style-type: none"> Min/Max loan amount: \$500,000/\$5,000,000 Min loan amount per unit: \$35,000 Portfolios allowed with cross collateralization, release provisions at lender's discretion subject to minimum of 120% of allocated loan amount per property 5+ unit residential No vacation or seasonal rentals Properties without existing debt financed within 180 days of purchase are considered delayed purchase Loans, and eligible for all terms applicable to purchase loans

PREPAYMENT PENALTIES
<p>For all loans:</p> <ul style="list-style-type: none"> < 12 month initial term: 3 months of minimum interest 12 month initial term: 9 months of minimum interest 18 month initial term: 12 months of minimum interest 24 month initial term: 18 months of minimum interest

THIRD PARTY REPORTS
<ul style="list-style-type: none"> One full independent narrative commercial appraisal required from approved list of appraisers USPAP/FIRREA compliant interior/exterior appraisals with as-is and as-stabilized value Appraisals dated within 120 days of closing date are required. Appraisals dated between 120 and 180 days may be acceptable at lender discretion with a recertification of value Environmental Database Survey or HRDR for loans < \$3MM Phase I Environmental Report are required for all loans ≥ \$3MM Property Condition Report (PCR) & Construction Budget Review are required for all loans ≥ \$3MM, and at underwriter's discretion for loans < \$3MM depending on project specifics. PCRs are required for vacant or damaged buildings All third party reports need to be addressed and assigned to lender per guidelines

Stabilized Bridge Programs

BRIDGE LOANS		SEASONED REFINANCE	PURCHASE	NON-SEASONED REFINANCE
	Description	Borrower purchased property > 12mo ago and may, or may not, have completed renovations. Property is rent ready and does not have deferred maintenance/CapEx requirements	The borrower is purchasing a rental property that does not need any rehab. Borrower does not want to be locked into a long term loan.	Borrower purchased property ≤ 12mo ago and may, or may not, have completed renovations. Property is rent ready and does not have deferred maintenance/CapEx requirements
	Loan Amount	Min: \$75,000 / Max: \$1MM Max for SFR, \$2MM Max for 2-4 Unit	Min: \$75,000 / Max: \$1MM Max for SFR, \$2MM Max for 2-4 Unit	Min: \$75,000 / Max: \$1MM Max for SFR, \$2MM Max for 2-4 Unit
	Term Length	12 months, up to 18 at lender discretion	12 months, up to 18 at lender discretion	12 months, up to 18 at lender discretion
	Property Types	Single Family/2-4 Unit/Townhomes/PUD/ Warrantable Condos	Single Family/2-4 Unit/Townhomes/PUD/ Warrantable Condos	Single Family/2-4 Unit/Townhomes/PUD/ Warrantable Condos
	Max LTC	N/A	Subject to LTV Limits: 85% if qualifying FICO ≥ 720 80% if qualifying FICO 700 - 719 70% if qualifying FICO 660 - 699	Subject to LTV Limits: 85% +100% of completed renovations if qualifying FICO ≥ 720 80% +100% of completed renovations if qualifying FICO 700 - 719 70% +100% of completed renovations if qualifying FICO 660 - 699
	Max LTV	Rate/Term Refinance: 70% if qualifying FICO ≥ 700 65% if qualifying FICO 680 - 699 60% if qualifying FICO 660 - 679 Cash Out: 70% if qualifying FICO ≥ 720 65% if qualifying FICO 700 - 719 60% if qualifying FICO 680 - 699	Subject to LTC Limits: 70% if qualifying FICO ≥ 700 65% if qualifying FICO 680 - 699 60% if qualifying FICO 660 - 679	Subject to LTC Limits: 70% if qualifying FICO ≥ 700 65% if qualifying FICO 680 - 699 60% if qualifying FICO 660 - 679
	LTC Proof	N/A	N/A	Sunk cost added to appraisal
	Cash Out Allowed	Yes	N/A	Follow LTC guidelines
	Underwritten Rents	In place DSCR: Lower of in place lease or 90% of market rent if vacant at time of closing Exit DSCR: Lower of in place lease or 100% of market rent if vacant at time of closing	In place DSCR: Lower of in place lease or 90% of market rent if vacant at time of closing Exit DSCR: Lower of in place lease or 100% of market rent if vacant at time of closing	In place DSCR: Lower of in place lease or 90% of market rent if vacant at time of closing Exit DSCR: Lower of in place lease or 100% of market rent if vacant at time of closing
Minimum DSCR	Minimum in place DSCR of 1.00 based on IO bridge loan payment. Minimum exit DSCR of 1.20 based on 30yr FRM and current Roc rate + 50 bp	Minimum in place DSCR of 1.00 based on IO bridge loan payment. Minimum exit DSCR of 1.20 based on 30yr FRM and current Roc rate + 50 bp	Minimum in place DSCR of 1.00 based on IO bridge loan payment. Minimum exit DSCR of 1.20 based on 30yr FRM and current Roc rate + 50 bp	
Eligible Borrowers	<ul style="list-style-type: none"> US Citizens US Legal Permanent Residents (Green Card Holders) Non-US Residents/Foreigners, subject to <ul style="list-style-type: none"> - Valid Passport - Valid US Visa (If not subject to Visa Waiver Program) 	<ul style="list-style-type: none"> US Citizens US Legal Permanent Residents (Green Card Holders) Non-US Residents/Foreigners, subject to <ul style="list-style-type: none"> - Valid Passport - Valid US Visa (If not subject to Visa Waiver Program) 	<ul style="list-style-type: none"> US Citizens US Legal Permanent Residents (Green Card Holders) Non-US Residents/Foreigners, subject to <ul style="list-style-type: none"> - Valid Passport - Valid US Visa (If not subject to Visa Waiver Program) 	
Recourse/Guaranty Structure	Personal guarantee	Personal guarantee	Personal guarantee	

Stabilized Bridge Programs

BRIDGE LOANS	SEASONED REFINANCE	PURCHASE	NON-SEASONED REFINANCE
	Minimum Guarantor FICO <ul style="list-style-type: none"> • Tri-Merge Credit Report no older than 365 days 660 Minimum Qualifying FICO determined as: <ul style="list-style-type: none"> • Mid score if 3 scores are available • Low score if 2 scores are available • For multiple guarantors, highest score calculated as above is used • Bankruptcy discharge date must 4 years seasoned • Foreclosure - 4 years from completion date 	<ul style="list-style-type: none"> • Tri-Merge Credit Report no older than 365 days 660 Minimum Qualifying FICO determined as: <ul style="list-style-type: none"> • Mid score if 3 scores are available • Low score if 2 scores are available • For multiple guarantors, highest score calculated as above is used • Bankruptcy discharge date must 4 years seasoned • Foreclosure - 4 years from completion date <i>*Lower FICO scores allowed on a case by case basis</i>	<ul style="list-style-type: none"> • Tri-Merge Credit Report no older than 365 days 660 Minimum Qualifying FICO determined as: <ul style="list-style-type: none"> • Mid score if 3 scores are available • Low score if 2 scores are available • For multiple guarantors, highest score calculated as above is used • Bankruptcy discharge date must 4 years seasoned • Foreclosure - 4 years from completion date
	Guarantor Credit History <ul style="list-style-type: none"> • Tri-Merge Credit Report no older than 365 days Borrower and principals are free of material liens & judgements > \$10,000 and within the past 7 years. Letter of explanation ("LOE") required otherwise	<ul style="list-style-type: none"> • Tri-Merge Credit Report no older than 365 days Borrower and principals are free of material liens & judgements > \$10,000 and within the past 7 years. Letter of explanation ("LOE") required otherwise	<ul style="list-style-type: none"> • Tri-Merge Credit Report no older than 365 days Borrower and principals are free of material liens & judgements > \$10,000 and within the past 7 years. Letter of explanation ("LOE") required otherwise
	Guarantor Background Requirements <p>Felonies not permitted</p>	<p>Felonies not permitted</p>	<p>Felonies not permitted</p>
	Guarantor(s) Minimum Net Worth Requirement <p>Minimum net worth of 10% of the loan amount</p>	<p>Minimum net worth of 10% of the loan amount</p>	<p>Minimum net worth of 10% of the loan amount</p>
	Guarantor(s) Experience Requirement <p>Previous real estate experience required. Guarantors with no experience permitted on a case by case basis</p>	<p>Previous real estate experience required. Guarantors with no experience permitted on a case by case basis</p>	<p>Previous real estate experience required. Guarantors with no experience permitted on a case by case basis</p>
	Third Party Reports <p>Appraisal dated within 180 days of closing</p>	<p>Appraisal dated within 180 days of closing</p>	<p>Appraisal dated within 180 days of closing</p>
	Loan Collateral <p>First Priority Mortgage/Deed of Trust for each property</p>	<p>First Priority Mortgage/Deed of Trust for each property</p>	<p>First Priority Mortgage/Deed of Trust for each property</p>
	Reserves/Escrows <ul style="list-style-type: none"> • Interest/Operating Reserves: minimum 1 month IR escrowed at closing. No reserves permitted on a case by case basis 	<ul style="list-style-type: none"> • Interest/Operating Reserves: minimum 1 month IR escrowed at closing. No reserves permitted on a case by case basis 	<ul style="list-style-type: none"> • Interest/Operating Reserves: minimum 1 month IR escrowed at closing. No reserves permitted on a case by case basis
	Insurance <ul style="list-style-type: none"> • Insurance carrier must be rated no less than A-VIII by A.M. Best or A by Demotech • Property Insurance - "Causes of Loss Special Form" or "All Risk" Hazard Insurance • Liability insurance • Flood/Earthquake/Windstorm insurance applicable per guidelines • Lender must be included as additional • Mortgagee/Loss Payee/Additional insured per guidelines 	<ul style="list-style-type: none"> • Insurance carrier must be rated no less than A-VIII by A.M. Best or A by Demotech • Property Insurance - "Causes of Loss Special Form" or "All Risk" Hazard Insurance • Liability insurance • Flood/Earthquake/Windstorm insurance applicable per guidelines • Lender must be included as additional • Mortgagee/Loss Payee/Additional insured per guidelines 	<ul style="list-style-type: none"> • Insurance carrier must be rated no less than A-VIII by A.M. Best or A by Demotech • Property Insurance - "Causes of Loss Special Form" or "All Risk" Hazard Insurance • Liability insurance • Flood/Earthquake/Windstorm insurance applicable per guidelines • Lender must be included as additional • Mortgagee/Loss Payee/Additional insured per guidelines
Legal Opinions/Survey <ul style="list-style-type: none"> • Local Law Opinion from Qualified Attorney for all Loans ≥ \$500,000 in NY/NJ, ≥ \$2MM in CA/HI, ≥ \$1MM in all other states • Survey required for all properties with loan amount ≥ \$250,000 unless approved Title Company removes survey exception 	<ul style="list-style-type: none"> • Local Law Opinion from Qualified Attorney for all Loans ≥ \$500,000 in NY/NJ, ≥ \$2MM in CA/HI, ≥ \$1MM in all other states • Survey required for all properties with loan amount ≥ \$250,000 unless approved Title Company removes survey exception 	<ul style="list-style-type: none"> • Local Law Opinion from Qualified Attorney for all Loans ≥ \$500,000 in NY/NJ, ≥ \$2MM in CA/HI, ≥ \$1MM in all other states • Survey required for all properties with loan amount ≥ \$250,000 unless approved Title Company removes survey exception 	

Single Property Rentals

RENTAL LOANS	MAXIMUM ARLTVs			LOAN GENERAL		DEBT SERVICE COVERAGE RATIO (DSCR)	
	FICO	PURCH/RT REFI	CASHOUT	<ul style="list-style-type: none"> Min loan amount: \$75,000 Max loan amount: \$1,000,000 (1 unit) and \$2,000,000 (2-4 unit) 1-4 unit properties/PUDs/warrantable condos/townhomes No vacation or seasonal rentals Properties without existing debt financed within 180 days of purchase are considered delayed purchase loans, and eligible for all terms applicable to purchase loans 		<ul style="list-style-type: none"> Calculation: Monthly in-place gross rental income divided by monthly PITIA Gross rental income: the lower of <ul style="list-style-type: none"> Actual monthly rent in the lease agreement Market monthly rent in the appraisal 10% haircut of market monthly rent for unleased properties PITIA: total monthly payments of <ul style="list-style-type: none"> Monthly mortgage principal and interest payment at qualifying rate Monthly property tax payment Monthly home insurance payment Monthly HOA payment or property management fee Minimum In-Place DSCR of 1.1x is required, based on initial payment amount at close. The loan is subject to a 5% reduction to the max allowable LTV based on the borrower's FICO for DSCRs between 1.10x - 1.19x Leased properties are defined as those with: <ul style="list-style-type: none"> A currently active lease with a minimum initial term of 12 months, between unrelated parties Month-to-month lease with evidence of a prior active lease A lease with a start date within 30 days of closing date and proof of receipt of security deposit Unleased properties are defined as those with: <ul style="list-style-type: none"> No current tenant/vacant Month-to-month lease with no evidence of prior active lease Unleased properties are only allowed for purchase loans 	
	≥ 740	80%	75%				
	720 - 739	75%	75%				
	700 - 719	75%	70%				
	680 - 699	70%	65%				
	660-679	65%	60%				
	MAXIMUM LTCs			LOAN PRODUCTS/AMORTIZATION		THIRD PARTY REPORTS	
	Subject to LTV limits: <ul style="list-style-type: none"> 80% if property purchased < 3 months Additional 5% haircut on max LTV if property purchased between 3 and 6 months (for borrowers with < 5 rental properties owned in the last 24 months) 			<ul style="list-style-type: none"> 5/6, 7/6 or 10/6 ARM (Adjustable Rate Mortgage) or 30-year FRM (Fixed Rate Mortgage) Maximum IO periods for ARMs: initial fixed rate period (5, 7 or 10 years) 30-year FRM loans are offered as fully amortizing or 10-year IO/20-year fully amortizing options 30- year amortization term 5-year interest only period + 25-year amortization term 7-year interest only period + 23-year amortization term 10-year interest only period + 20-year amortization Term 		<ul style="list-style-type: none"> Loan amount ≤ \$1,500,000 <ul style="list-style-type: none"> One full independent appraisal + Appraisal Risk Review (ARR) or Collateral Desktop Analysis (CDA) required If Appraisal-ARR/CDA variance exceeds 10%, second full independent appraisal required Lower of two appraised values to be used Loan amount > \$1,500,000: <ul style="list-style-type: none"> Two full independent appraisals Lower of two appraised values to be used in LTV calculations Appraisals dated within 180 days of closing date are required 	
	OTHER LTC/LTV LIMITS						
<ul style="list-style-type: none"> U.S. non-permanent residents/foreign nationals: Max 65% LTV For purchase loans, the lowest of <ol style="list-style-type: none"> Purchase price Appraised value and ARR/CDA value is used to calculate LTV 			At Closing: <ul style="list-style-type: none"> First 3 months of PITI, not including stub interest for closing month Pro-rata property taxes for next tax due date, such that tax due is fully funded 30 days in advance of due date Ongoing monthly: <ul style="list-style-type: none"> Real estate taxes: 1/12th annual taxes due Insurance: 1/12th annual insurance costs 				
STATE RESTRICTIONS			PREPAYMENT PENALTIES				
<ul style="list-style-type: none"> All US, except MN, ND, SD, UT & VT 			<ul style="list-style-type: none"> 1 year: 3%, 0%, 0% 1 year: 1%, 0%, 0% 3 years: 3%, 2%, 1%, 0% 4 years: 4%, 3%, 2%, 1%, 0% 5 years: 5%, 4%, 3%, 2%, 1%, 0% 				
LETTER OF EXPLANATION BACKGROUND							
CREDIT & BACKGROUND				LIQUIDITY			
<ul style="list-style-type: none"> New borrower: Tri-Merge Credit Report no older than 90 days Existing borrower with 0x30x12 payment history: Tri-Merge Credit Report no older than 120 days 660 minimum qualifying FICO determined as: <ul style="list-style-type: none"> Mid score if 3 scores are available Low score if 2 scores are available For multiple guarantors, lowest score calculated as above is used Bankruptcy discharge date must be no less than 3 years prior to closing date Foreclosure/deed-in-lieu/short sale date must be no less than 3 years prior to closing date 				<ul style="list-style-type: none"> Loan amount ≤ \$1,000,000: 6 months of PITIA Loan amount > \$1,000,000: 9 months of PITIA Subject to: <ul style="list-style-type: none"> Non-permanent residents & foreign nationals: Minimum 12 months of PITIA Cashout amounts from subject loan may be used to satisfy reserve requirements Liquid reserves must be seasoned for a minimum of 3 months for purchase transactions The cumulative amount including all guarantors is considered for loans with multiple guarantors 			
<ul style="list-style-type: none"> First time borrowers may be allowed at lender discretion Full Recourse with warm body guaranty from all members with ≥ 20% ownership LLCs and US corporations only 							

RENTAL LOANS

MAXIMUM ARLTVs

FICO	PURCH/RT REFI	CASHOUT
≥ 740	< \$3MM: 80% > \$3MM: 75%	< \$3MM: 75% > \$3MM: 75%
720 - 739	≤ \$3MM: 75% > \$3MM: 75%	≤ \$3MM: 75% > \$3MM: 70%
700 - 719	≤ \$3MM: 75% > \$3MM: 75%	≤ \$3MM: 70% > \$3MM: 70%
680 - 699	≤ \$3MM: 75% > \$3MM: 70%	≤ \$3MM: 70% > \$3MM: 65%
660-679	≤ \$2MM AND ≤ 10 properties only: 70%	≤ \$2MM AND ≤ 10 properties only: 65%

U.S. non-permanent residents/foreign nationals: 65%

PREPAYMENT PENALTIES

- For loans < \$3MM
- 1 year penalty with 1%, 0%, 0% stepdown structure (UPB ≤ \$2MM AND ≥ 10 properties only)
 - 1 year penalty with 3%, 0%, 0% stepdown structure (UPB ≤ \$2MM AND ≥ 10 properties only)
 - 3 years penalty with 3%, 2%, 1% stepdown structure
 - 5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure
 - Yield maintenance (YM) with 6 month open prepay window at end of YM period
 - 5 year loan term: 5 year YM period
 - 10 year loan term: 10 year YM period
 - 30 year loan term: 5 year YM period for 5/6 ARMs and 10 year YM period for 10/6 ARMs
- For loans ≥ \$3MM
- 5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure (5/10/30 year loan term)
 - Yield maintenance (YM) with 6 month open prepay window at end of YM period
 - 5 year loan term: 5 year YM period
 - 10 year loan term: 10 year YM period
 - 30 year loan term: 5 year YM period for 5/6 ARMs and 10 year YM period for 10/6 ARMs

MAXIMUM LTC FOR C/O REFI LOANS

- Subject to LTV limits:
- 80% if property purchased < 6 months
 - Additional 5% haircut on Max LTC if property purchased between 3 and 6 months (for borrowers with < 5 rental properties owned in the last 24 months)

LETTER OF EXPLANATION BACKGROUND

CREDIT & BACKGROUND	LIQUIDITY
<ul style="list-style-type: none"> New borrower: Tri-Merge credit report no older than 90 days Existing borrower with 0x30x12 payment history: Tri-Merge credit report no older than 120 days <p>For loans with ≤ \$2MM AND ≤ 10 properties: 660 minimum qualifying FICO. For all other loans: 680 minimum qualifying FICO</p> <p>Qualifying FICO determined as:</p> <ul style="list-style-type: none"> Mid score if 3 scores are available Low score if 2 scores are available For multiple guarantors, lowest score calculated as above is used Bankruptcy discharge date must be no less than 3 years prior to closing date Foreclosure/deed-in-lieu/short sale date must be no less than 3 years prior to closing date 	<ul style="list-style-type: none"> Lower of 10% of loan balance and 9 months of PITIA (12 months for Foreign Nationals) Two most recent consecutive months of bank statements or investment account statements required Up to 50% of the cashout amounts from subject loan may be used to satisfy reserve requirements Liquid reserves must be seasoned for a minimum of 3 months for purchase transactions The cumulative amount including all guarantors is considered for loans with multiple guarantors IRAs/401ks and other restricted assets are considered with a 50% haircut to market value
<ul style="list-style-type: none"> No first time borrowers, need prior multifamily property ownership experience Self-managed properties may be allowed for loans ≤ \$5MM, at lender discretion Third party property manager required for loans > \$5MM Full Recourse with warm body guaranty from all members with ≥ 20% ownership OR Non-Recourse with pledge of equity of borrowing entity and customary bad-boy carveouts LLCs and US corporations only 	

LOAN PRODUCTS/AMORTIZATION

- 5/6 & 7/6 ARM (Adjustable Rate Mortgage): 10 & 30-year term loans
- 10/6 ARM; 30-year term loans
- 5-year FRM (Fixed Rate Mortgage); 5-year term loans
- 10-year FRM; 10-year term loans
- 30-year FRM; 30-year term loans & loan amount ≤ \$5MM
- Maximum IO periods
 - ARMs: initial fixed rate period (5, 7 or 10 years)
 - 5/10-year FRM: 5 years
 - 30-year FRM: 10 years

THIRD PARTY REPORTS

- Loan amount ≤ \$1,500,000:
 - One full independent appraisal required
 - Market rent estimate included in appraisal
 - Appraisal Risk Review (ARR) or Collateral Desktop
- Analysis (CDA) required
 - If Appraisal-ARR/CDA variance exceeds 10%, second full Independent appraisal required
 - Lower of two appraised values to be used in LTV calculations
- Loan amount > \$1,500,000:
 - Two full independent appraisals required
 - Market rent estimate included in appraisal
 - Lower of two appraised values to be used in LTV calculations
- USPAP/FIRREA compliant interior/exterior Appraisals with As-is value
- Appraisals must be dated within 120 days of closing date, or within 180 days with recertification of value
- All third party reports need to be addressed and assigned to lender per guidelines
- For purchase loans, the lowest of
 - Purchase price
 - Appraised value and
 - ARR/CDA value is used to calculate LTV

STATE RESTRICTIONS

- All US, except MN, ND, SD, UT & VT

LOAN GENERAL

- Min loan amount:
 - \$75,000 per property for portfolios < \$500,000
 - \$50,000 per property for portfolios ≥ \$500,000
- Max loan amount: \$50MM+, subject to \$1MM (1-unit) and \$2MM (2-4 units) individual property limits
- 1-4 unit properties/PUDs/warrantable condos/ townhomes/5-8 unit MF/eligible mixed use (> 50% of SF must be residential)
- No vacation or seasonal rentals
- Properties without existing debt financed within 180 days of purchase are considered delayed purchase loans, and eligible for all terms applicable to purchase loans

DEBT SERVICE COVERAGE RATIO (DSCR)

- For loans with ≤ \$2MM AND ≤ 10 properties
- Calculation: Monthly in-place gross rental income divided by monthly PITIA
 - PITIA: total monthly payments of
 - Monthly mortgage principal and interest payment at qualifying rate
 - Monthly property tax payment
 - Monthly home insurance payment
 - Monthly HOA payment or property management fee
 - Minimum In-Place DSCR of 1.1x is required, based on initial payment amount at close. Loans with DSCRs between 1.10x - 1.19x must be 30-year fully amortizing loans and are subject to a 5% reduction to the max allowable LTV based on the borrower's FICO.
- For all other loans:
- Calculation: In-Place Net Cash Flow (NCF) divided by mortgage payment, after accounting for all property operating revenues, expenses and capital expenditure reserves, as reasonably determined by lender
 - Gross Rental Income: the lower of
 - Actual monthly rent in the lease agreement
 - Market monthly rent in the appraisal
 - 10% haircut of market monthly rent for unleased properties
 - Mortgage payment: initial payment amount at close
 - Minimum NCF DSCR of 1.20x

RESERVES/ESCROWS

- At closing:
- First 3 months of PITI, not including Stub Interest for closing month
 - Pro-rata property taxes for next tax due date, such that tax due is fully funded 30 days in advance of due date
- Ongoing monthly:
- Real estate taxes: 1/12th annual taxes due
 - Insurance: 1/12th annual insurance costs
 - Capital expenditures: 1/12th annual capital expenditures budget, as reasonably determined by lender

RENTAL LOANS

MAXIMUM ARLTVs

FICO	PURCH/RT REFI	CASHOUT
≥ 740	≤ \$3MM: 75% > \$3MM: 75%	< \$3MM: 75% > \$3MM: 70%
720 - 739	≤ \$3MM: 75% > \$3MM: 75%	≤ \$3MM: 75% > \$3MM: 70%
700 - 719	≤ \$3MM: 75% > \$3MM: 75%	≤ \$3MM: 70% > \$3MM: 70%
680 - 699	≤ \$3MM: 75% > \$3MM: 70%	≤ \$3MM: 70% > \$3MM: 65%

U.S. non-permanent residents/foreign nationals: 65%

PREPAYMENT PENALTIES

For all loans:

- 5-year loan term:
 - Yield maintenance with 6 month open prepay window at end of loan term
 - 5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure
 - 10-year loan term:
 - Yield maintenance with 6 month open prepay window at end of loan term
 - 5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure
 - 30-year loan term:
 - 5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure
- Additional options for loans ≤ \$3MM only:
- 3 years penalty with 3%, 2%, 1% stepdown structure

THIRD PARTY REPORTS

- One full independent Narrative Commercial Appraisal required
- USPAP/FIRREA compliant interior/exterior appraisals with as-is value
- Appraisals dated within 120 days of closing date are required. Appraisals dated between 120 and 180 days are acceptable with a recertification of value
- Environmental Database Survey if loan amount < \$3MM
- Phase I Environmental Report if loan amount ≥ \$3MM
- All third party reports need to be addressed and assigned to lender per guidelines

LETTER OF EXPLANATION BACKGROUND

CREDIT & BACKGROUND	LIQUIDITY
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<ul style="list-style-type: none"> No first time borrowers, need prior multifamily property ownership experience Self-managed properties may be allowed for loans ≤ \$5MM, at lender discretion Third party property manager required for loans > \$5MM Full Recourse with warm body guaranty from all members with ≥ 20% ownership OR Non-Recourse with pledge of equity of borrowing entity and customary bad-boy carveouts LLCs and US corporations only 	

LOAN PRODUCTS/AMORTIZATION

- Min/Max loan amount: \$250,000/\$3,000,000
- Up to 5 properties per loan
- 5-8 unit residential
- No vacation or seasonal rentals
- Properties without existing debt financed within 180 days of purchase are considered delayed purchase loans, and eligible for all terms applicable to purchase loans

LOAN PRODUCTS/AMORTIZATION

- 5/6, 7/6 and 10/6 ARMs (Adjustable Rate Mortgages): 30-year term loans, with or without partial IOs
- 30-year FRM (Fixed Rate Mortgage): 30-year term loans & loan amount ≤ \$2MM
- 30-year FRM: 30-year amortization
- 5/6 ARM IO: 5-year interest only period + 25-year amortization
- 7/6 ARM IO: 7-year interest only period + 23-year amortization
- 10/6 ARM IO: 10-year interest only period + 20-year amortization

STATE RESTRICTIONS

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MAXIMUM LTC FOR C/O REFI LOANS

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 - Additional 5% haircut on Max LTV if property purchased between 3 and 6 months (for borrowers with < 5 rental properties owned in the last 24 months)

DEBT SERVICE COVERAGE RATIO (DSCR)

- Calculation: In-Place Net Cash Flow (NCF) divided by mortgage payment, after accounting for all property operating revenues, expenses and capital expenditure reserves, as reasonably determined by lender
- Gross Rental Income: the lower of
 - Actual monthly rent in the lease agreement
 - Market monthly rent in the appraisal
 - 10% haircut of market monthly rent for unleased properties
- Mortgage payment: Initial payment amount at close
- Minimum NCF DSCR of:
 - Top or standard market: 1.20x
 - Small market 1.30x
 - Very small market: 1.40x

RESERVES/ESCROWS

- At closing:
- First 3 months of PITI, not including Stub Interest for closing month
 - Pro-rata property taxes for next tax due date, such that tax due is fully funded 30 days in advance of due date
- Ongoing monthly:
- Real estate taxes: 1/12th annual taxes due
 - Insurance: 1/12th annual insurance costs
 - Capital expenditures: 1/12th annual capital expenditures budget, as reasonably determined by lender